

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 798 - HB 1040

April 12, 2021

SUMMARY OF ORIGINAL BILL: Prohibits any state official or employee from bidding on, selling, offering for sale, or possessing any interest in selling, a service to the state during the individual's tenure with the state, or for six months thereafter.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006442): Deletes all language after the enacting clause. Prohibits any member of the General Assembly, or any entity in which the member has a controlling interest, from bidding on, selling, or offering for sale a service to the state during the tenure of such member's office, or for six months thereafter. Specifies that the prohibition does not apply to the continuation of any service provided by a member of the 112th General Assembly so long as the member holds office for consecutive terms if the service was provided prior to the member's election, and the member discloses the nature of the service and the name of the entity of state government to which the service is provided on the member's required disclosure statement of interest no later than July 1, 2021, and annually thereafter, if the member continues to provide the service. Exempts employment contracts, including indigent defense contracts and medical service contracts, except when they are provided to the legislative branch of state government. Disqualifies any person convicted of such offenses from ever again holding any office under the laws or constitution of Tennessee.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation prohibits any member of the General Assembly, or any entity in which the member has a controlling interest, from bidding on, selling, or offering for sale, any service to the state during the tenure of such member's office, or for six months thereafter.
- Pursuant to Tenn. Code Ann. § 12-4-103(c), any such violation is a Class E felony.

- The restrictions on members of the General Assembly, and entities in which they possess a controlling interest will not significantly alter the policies or procedures of the Department of General Services or the Central Procurement Office, nor are they expected to significantly shrink the pool of services available to the state. Any fiscal impact to state government is estimated to be not significant.
- There will not be a sufficient number of Class E felony prosecutions for state government to experience any significant increase in revenue of liability and interest paid or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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